(b) The Assessing Officer has passed summary orders under section 132(5) of the Income Tax Act, retaining the seized assets. Assessment proceedings are in progress.

Duty Drawback Scheme

2056. SHRI ASHOK NATH VERMA:

DR. (SMT.) SAROJINI MAHISHI:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that his Ministry certify the consumption norms which forms the basis for allowing duty drawback on exports;

(b) if so, who certifies the consumption norms;

(c) what were the consumption norms of imported inputs which are taken into consideration for Erythromycin, Gephalexin and Ampicillin; and

(d) what was the value added in the export of these drugs?

THE MINISTER OF FINANCE (PROF. MADHU DANDAVATE): (a) and (b) Drawback is calculated and determied by the Ministry on the basis of data received from the exporter, sometimes supported by a certificate of Chartered Engineer/Chartered Accountant. Sometimes it is as per recommendation of technical authorities, like DGTD. The data is verified by the offices of the jurisdictional Collectors of Customs and Central Excise.

(c) The consumption pattern of basic inputs in each of the drugs varies from manufacturer to manufacturer, though the difference is not very large. The consumption pattern accepted for the main basic inputs in the brand rates issued in the last three months is in the following range:—

Sl. No.	Name of the export product	Name of the basic input	The consumption of basic input admitted per kg. of export product
1	Erythromycin	Erythromycin Thiocynate	Between 0.640 & 0.667 kg.
2	Cephalaxin Monohydrate . . .	7 ADCA	Between 0.730 & 0.750 kg.
3	Ampicillin Trihydrate . . .	D Alpha Phenyl Glycine	Between 0.50 & 0.62 kg.

(d) No records about the value addition in exports of aforesaid drugs are maintained.

Instances of negative value addition on export of certain drugs

2057. SHRI H. HANUMANTHAPPA: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that certain instances of negative or nil value addition on export of certain drugs, pesticides and chemicals where duty drawback has been paid, have come to the notice of his Ministry;

(b) if so, when such instances came to the notice of his Ministry; and

(c) what were the items involved?

THE MINISTER OF FINANCE (PROF. MADHU DANDAVATE): (a) and (b) While fixing brand rates of drawback for certain commodities, some cases of negative value addition have come to our notice during September/October, 1989. Fixation of brand rate in these cases has been withheld pending examination of this issue.

(c) Items are: Chloramphenicol, Erythromycin Stearate, Trimethoprim,